

CHARITABLE SOLICITATIONS



Scottsdale Revised Code

NOTICE TO TAXPAYERS

This booklet incorporates sections of the City Code of the City of Scottsdale as it relates to Charitable Solicitations.

It is our hope that this booklet will assist you in understanding the tax law.

For any additional information or clarification, please call (480) 312-2400.

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CHAPTER 8 CHARITABLE SOLICITATION

ARTICLE I. IN GENERAL

Sec. 8-1. Definitions

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Charitable" means any activity represented as carried on from unselfish, civic or humanitarian motives, or for the benefit of others, and not for private gain.

"Children's organization" means any person carrying on a charitable activity for the sole benefit of persons under the age of eighteen (18) years.

"Contribution" means a donation in any form, including but not limited to, amounts solicited in payment for anything of value if such solicitation is founded in whole or in part upon a charitable appeal.

"Cost of solicitation" means any money or thing of value given or expended by or on behalf of a soliciting person for the purpose of promoting or administering a campaign of solicitation.

"Solicit and solicitation" means:

- (1) The oral or written request made either directly or indirectly for the contribution of money, credit, property, financial assistance or any other thing of value on the plea or representation that such will be used for a charitable purpose, including requests made in relation to any event which the public is requested to patronize or to which the public is

requested to make a contribution for any charitable purpose; or

- (2) A public appeal made for any charitable purpose; or
- (3) The use or referral to a charitable purpose as an inducement or reason for making any sale or contribution; or
- (4) The making of a statement in connection with any sale or contribution that the whole or any part of the proceeds will go to or be devoted to any charitable purpose.

Sec. 8-2. Intent and purpose.

It is the intent and purpose of this chapter to establish efficient procedure for the regulation within the city of the solicitation of funds for charitable purposes, to ensure the review of the kind and character of the solicitation and to safeguard the safety, convenience and welfare of the inhabitants of the city.

Sec. 8-3. Administration; rules and regulations.

- (a) The administration of this chapter including the duty of prescribing forms is vested in the general manager, financial services department or designee, except as otherwise specifically provided, and the chief of police shall render such assistance in the enforcement hereof as may be required by the general manager, financial services department or designee.
- (b) The general manager, financial services department or designee may make such rules and regulations as may be deemed necessary or advisable for the administration of the provisions of this chapter. Such rules and

regulations shall be in writing and shall be filed in the office of the general manager, financial services department, or designee, and available at all reasonable times for public inspection.

Sec. 8-4. Reports.

Each person granted a permit under the provisions of this chapter shall, within sixty (60) days from the date of expiration of the permit, file with the general manager, financial services department or designee a statement showing the total amount raised by the solicitation, the total costs of solicitation, and the amounts disbursed or to be disbursed for each purpose. The report shall be sworn to before a notary public by an official of the permittee.

Sec. 8-5. Hours of soliciting.

The general manager, financial services department or designee may grant the right to conduct a solicitation on one (1) or more consecutive days in any calendar year, but no solicitation shall commence earlier than 9:00 a.m., nor extend later than 9:00 p.m. on any such day. Children under age 16 are only allowed to solicit between 9:00 a.m. and 7:00 p.m., unless accompanied by an adult over the age of 18.

Secs. 8-6 - 8-20. Reserved.

ARTICLE H. PERMIT

Sec. 8-21. Required.

No person shall solicit within the city contributions for any charitable purpose without first obtaining a permit from the general manager, financial services department or designee.

This section does not apply to solicitations made by an organization established and operated exclusively for a charitable purpose if such solicitations are made solely among its members and their guests by other members serving without remuneration, or if such solicitations are made at the assemblies or services of the organization.

Sec. 8-22. Application.

- (a) Application for the permit required by this article shall be made upon forms provided by the general manager, financial services department or designee. The application shall be filed with the general manager, financial services department or designee at least ten (10) days prior to the effective date of the permit. The application shall contain the information required by subsection (b), or in lieu thereof a statement satisfactory to the general manager, financial services department or designee of the reason why such information is not furnished.
- (b) Application for a solicitation permit shall set forth:
 - (1) The name and address of the applicant and, if applicant is not an individual, the names and addresses of the applicant's principal officers and managers, and a copy of the applicant's exemption granted by the Commissioner of Internal Revenue under 26 U.S.C.s. 501(c)(1)(c)(19).
 - (2) The purpose of the solicitation.
 - (3) The amount to be raised, the use to be made of the receipts, and a detailed estimate of the cost of solicitation.
 - (4) The name and address of the person by whom the receipts will be disbursed.

- (5) The name and address of the person who will be conducting the solicitation, the names of all those connected or to be connected with the solicitation, and a statement to the effect that if the permit is granted no person under the age of sixteen (16) will be permitted to solicit or collect money unless supervised by a responsible adult holding a permit issued pursuant to this article.
- (6) Whether the applicant, its managing officers, agents, any of the persons conducting the solicitation or connected with it have been previously convicted of a felony, or a misdemeanor offense involving dishonesty, theft or assaultive conduct, within five years of the date of the application. The applicant shall provide all details of such convictions, if applicable, including date of conviction, court and charge upon which the conviction was entered.
- (7) A statement of the methods to be used.
- (8) The dates for which the permit is sought.
- (9) A financial statement for the last preceding fiscal year of all funds collected by solicitations, giving the amounts raised, the costs of solicitation and final distributions.
- (10) A full statement of the character and extent of the charitable work being done by the applicant, showing how much thereof is being done or is proposed to be done in the city.
- (11) A statement that if a permit is granted, it will not be used or represented as an endorsement by the city.
- (12) Such other information as may be reasonably required by the general manager, financial services

department or designee in order to determine the kind, character and method of the proposed solicitation, when it will take place, for what period of time, and whether such solicitation is in the interest of and not inimical to the safety, convenience or welfare of the residents of the city.

- (c) If, while any application is pending, or during the term of any permit granted, there is any change in fact, policy or method, that would alter the information set forth in the application, the applicant shall notify the general manager, financial services department or designee in writing thereof within twenty-four (24) hours after such change occurs or becomes known to the applicant.

Sec. 8-23. Investigation.

The general manager, financial services department shall examine application filed under the provisions of this article and shall make or cause to be made such further investigation of the applicant as the general manager, financial services department may deem necessary or advisable. Upon request by the general manager, financial services department the applicant shall make available for inspection at any reasonable time by the general manager, financial services department all of the relevant books, records and papers of the applicant.

Sec. 8-24. Issuance.

- (a) The customer service director or designee shall issue a permit under this article whenever it appears to his satisfaction that:
 - (1) The statements made in the application are true.
 - (2) The applicant and its managing officers and agents, persons conducting the proposed solicitation or

connected with it have not been convicted of any felony or misdemeanor offense involving dishonesty, theft or assaultive conduct within the five year period immediately preceding the application.

- (3) The control and supervision of the solicitations will be under responsible and reliable persons.
 - (4) The applicant has not engaged and is not engaging in any fraudulent transactions or enterprises.
 - (5) The solicitation is prompted solely by a desire to finance the charitable activities described in the application and will not be conducted for private profit, other than that which is necessary and incidental to the charitable solicitation activity. Submission of a 26 U.S.C.s. 501(c) exemption is prima facie evidence that the applicant is a charitable organization.
 - (6) The applicant has complied with the requirements of this chapter in previous solicitations.
- (b) All permits applied for pursuant to this article shall be issued or denied within ten (10) days after receipt of the permit application.

Sec. 8-25. Form and contents.

- (a) A permit issued under the provisions of this article shall bear the name and address of the organization to which the permit is issued, the date or dates on which the solicitation is to be conducted, and a statement that the permit does not constitute endorsement of the solicitation by the city or any of its officers or departments. All permits shall be issued by the customer service director or designee.

- (b) Permits issued pursuant to this article shall be valid for the period stated thereon, which shall not exceed one year from the date of issue. Upon expiration, a permittee may re-apply for the permit as provided in this article.

Sec. 8-26. Display.

A copy of the solicitation permit issued by the city must be carried by each person soliciting. Each solicitor must also have a name tag visible at all times which includes his name and the name of the organization for which he is soliciting. Each solicitor shall be responsible for furnishing the name tag required by this section.

Sec. 8-27. Revocation.

Whenever the customer service director has reason to believe that any organization to which a permit has been issued under this article has violated any of the provisions of this chapter, or that any statement in its application has misrepresented the purpose of the solicitation, the customer service director shall promptly revoke the permit and notify the permit holder and the chief of police in writing within two (2) days of such revocation and the reasons therefore.

Sec. 8-28. Appeal from denial or revocation.

Any person aggrieved by any decision with respect to the refusal to issue a permit or the revocation of a permit under this article may appeal by filing a notice of appeal with the general manager, financial services department within 10 days of the denial or revocation. Neither the customer service director nor any designee of the director shall be designated to rule on any appeal filed pursuant to this section. The general manager, financial services department or designee shall fix a time and

place for hearing such appeal, which will be set within ten (10) days of receipt of notice of appeal and shall give notice to such person of the time and place of hearing by serving it personally or by depositing it in the United States Post Office, postage prepaid, addressed to such person at his last known address. The general manager, financial services department may establish such rules and procedures for conducting hearings under this section as are determined to be reasonably necessary to provide the information required to render a fair judgment on the issues presented by appeals. The general manager, financial services department shall render a decision within seven (7) days after the close of the hearing and notify the appellant of the ruling as provided herein.

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